



19 April 2024

Ms Orellie Tylor  
Energy Policy WA  
Level 1, 66 St Georges Terrace  
Perth WA 6000

Lodged electronically: [EPWA-AES@dmirs.wa.gov.au](mailto:EPWA-AES@dmirs.wa.gov.au)

Dear Ms Tylor,

**RE: Regulating the sale and supply of electricity in embedded networks – CRIS**

Origin Energy (Origin) appreciates the opportunity to provide a response to the Energy Policy WA (EPWA) Regulating the sale and supply of electricity in embedded networks - Consultation Regulatory Impact Statement (CRIS).

Origin strongly believes that all customers in an embedded network should have access to essential services at a fair price and be afforded consumer protections consistent with those provided to licenced retailer customers. This includes access to the Electricity Ombudsman scheme and associated dispute resolution services.

We agree with the EPWA that there are deficiencies in the current exemption framework. The exemption places fewer obligations on an embedded network seller compared to a licenced retailer and as such customer protections are often diminished.

We support the proposed Alternative Electricity Services (AES) registration framework as a means of providing customers with substantially equivalent customer protections as are supplied by a licenced retailer, without incurring the cost or regulatory burden associated with a full licence.

We note that many embedded networks in WA are managed by Owners Corporations. We consider it will be very difficult for Owners Corporations to meet the AES Code, and hence there would need to be transition to alternative providers (and potentially meter upgrades, etc.) which would be a challenging and lengthy transition process. It is critical that EPWA carefully consider this transition process to ensure that customer services are maintained during the process.

Origin's response to the CRIS consultation paper, including the Voluntary Embedded Networks Code (the Code) is set out below at Attachment A – Table 1 setting out Origin's response to specific CRIS questions and Table 2 setting out observations in relation to the Code.

If you have any questions regarding this submission, please contact Andrew Cameron in the first instance at [andrew.cameron@originenergy.com.au](mailto:andrew.cameron@originenergy.com.au).

Yours sincerely

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Sean Greenup  
Group Manager Regulatory Policy

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## Attachment A

**Table 1: Consultation Regulatory Impact Statement (CRIS)**

Question	Origin response
<p>Question 1: What costs and benefits have you experienced under the status quo arrangements for ENS being exempt from needing to hold a licence?</p>	<ul style="list-style-type: none"> <li>• Benefits – low compliance costs.</li> <li>• Costs include:               <ul style="list-style-type: none"> <li>○ Poor metering practices are common in embedded networks to save costs. This includes meter accessibility, meter types and one meter to multiple apartments.</li> <li>○ Lack of on-market consumer protections access.</li> <li>○ Lack of transparency around pricing.</li> </ul> </li> </ul>
<p>Question 2: What minimum conditions would need to be imposed as part of individual exemptions for ENS?</p>	<ul style="list-style-type: none"> <li>• Origin doesn't support individual exemptions for ENS, due to the administrative burden and because it is not evident this process would improve customer outcomes by itself.</li> <li>• In general, Origin supports the extension of on-market customer protections to embedded network works, where applicable. This includes information disclosure, appropriate supply agreements in writing, suitable metering, billing information, hardship/family violence support, Ombudsman access, dispute resolution processes, etc.</li> </ul>
<p>Question 3: Do you agree that a lack of access to the Energy Ombudsman and means of enforcing exemption conditions are significant problems? Are there any other concerns with licence exemptions additional to those identified in Section 3 – Problem Statement?</p>	<ul style="list-style-type: none"> <li>• Yes, Origin agrees that a lack of access to the Energy Ombudsman and means of enforcing exemption conditions are problems.</li> </ul>
<p>Question 4: If an exempt ENS fails to meet exemption conditions they are no longer legally able to supply electricity until the issue is remedied. What consequences could arise from this?</p>	<ul style="list-style-type: none"> <li>• Pausing electricity supply for embedded networks is a very poor customer outcome. In practice, it takes some time (months) for buildings to switch to a new supplier; and it would not be acceptable to have buildings off supply for such extended periods.</li> </ul>
<p>Question 5: Is licensing a suitable option to address some of the issues raised in Section 3 – Problem statement?</p>	<ul style="list-style-type: none"> <li>• Origin does not believe that licensing is a suitable option. While it would address some of the problems raised, the consequences for the market would be too high.</li> <li>• We note that many embedded networks in WA are managed by small business, or even Owners Corporations (with supplier support for meter reading, etc.), and it would be difficult (if not impossible) for them to obtain appropriate licences. This would cause these embedded networks to have to transition to alternative providers (and potentially meter upgrades, etc.).</li> </ul>
<p>Question 6: Are the costs of licensing ENS proportional to the benefits?</p>	<ul style="list-style-type: none"> <li>• Origin believes that the costs of licensing ENS is disproportionately high when compared to the benefits.</li> </ul>
<p>Question 7: Is the AES registration framework a suitable option to</p>	<ul style="list-style-type: none"> <li>• Origin supports the AES registration framework.</li> </ul>

address some of the issues raised in Section 3 – Problem statement?	<ul style="list-style-type: none"> <li>We note that many embedded networks in WA are managed by Owners Corporations (with supplier support for meter reading, etc.). We believe it will be very difficult for Owners Corporations to meet the AES Code, and hence there would need to be transition to alternative providers (and potentially meter upgrades, etc.) which would be a challenging and lengthy transition process. Further consideration would need to be given to this transition process.</li> </ul>
Question 8: Are the costs of requiring ENS to register under the AES registration framework proportional to the benefits?	<ul style="list-style-type: none"> <li>It is important to keep costs as low as possible. However, based on the indicative information provided, the costs seem reasonable when compared to the potential benefits.</li> </ul>
Question 9: Do you agree that ENS should be required to facilitate large use customers obtaining a separate master meter at the customer's cost?	<ul style="list-style-type: none"> <li>Origin does not support the proposition that ENS should be required to 'facilitate' large use customers obtaining a separate master meter. We believe that the ENS should not 'obstruct' the large customer, but the ENS should not be required to 'facilitate' the separate master meter.</li> <li>Origin agrees that a separate master meter should be at the customer's expense.</li> </ul>
Question 10: If you are a large use customer, what is your experience in being sold or supplied electricity in an embedded network?	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Question 11: What, if any, other obligations should ENS have in respect of large use customers? Why?	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Question 12: Do you support use of the 'fast track' route to assess ENS registration applications? Why/why not?	<ul style="list-style-type: none"> <li>Origin supports the 'fast track' route to assess ENS registration applications, as it would be inefficient/costly and result in project delays to conduct a public interest test for each project.</li> </ul>
Question 13: What minimum information should ENS be required to supply under an AES registration application process?	<ul style="list-style-type: none"> <li>Origin agrees that information such as number of embedded networks, addresses, number of customers, etc. is acceptable in the application process.</li> </ul>
Question 14: Should licensed electricity retailers be permitted to operate embedded networks under authorisation of their licences (with additional licence conditions), or should they be required to also hold an AES registration as an ENS? Please provide justification for your position.	<ul style="list-style-type: none"> <li>Origin believes that electricity retailers should be permitted to operate embedded networks under authorisation of their licences (with additional licence conditions), as it would be an unnecessary burden to also hold an AES registration as an ENS.</li> </ul>
Question 15: What circumstances should be considered for transitional arrangements? What types of obligations on ENS should	<ul style="list-style-type: none"> <li>Origin notes that many embedded networks in WA are managed by Owners Corporations (with supplier support for meter reading, etc.). This includes many sites that Origin (under the Carbon EMT entity) provides services for. We believe it will be very difficult for Owners Corporations (including those serviced by Carbon EMT) to meet the AES</li> </ul>

be subject to transitional arrangements?	<p>Code, and hence there would need to be transition to alternative providers (and potentially meter upgrades, etc.) which would be a challenging and lengthy transition process.</p> <ul style="list-style-type: none"> <li>• Further consideration would need to be given to this transition process, particularly for smaller operators like Owner Corporations or caravan parks.</li> </ul>
Question 16: Are there any types of ENS that require special consideration or additional time where a phased approach might be appropriate? Why is this the case and how long should such a phased approach take?	<ul style="list-style-type: none"> <li>• Operators who are Owner Corporations or caravan parks may need to transition over 1-2 years given contract negotiations, AGM approvals, equipment upgrades, etc. that need to occur.</li> </ul>
Question 17: What is the best means of accessing all relevant audiences for ENS educational materials?	<ul style="list-style-type: none"> <li>• A variety of communication methods is required to ensure that all relevant audiences have access to ENS educational materials, i.e. the ENS website, emails to strata managers and directly to the end customers (information included with bills, and other letters).</li> </ul>
Question 18: What materials and resources would be most suitable to help both ENS and their customers to transition to the AES registration framework?	<ul style="list-style-type: none"> <li>• No comment</li> </ul>

**Table 2: Voluntary Embedded Networks Code of Practice**

<b>Section</b>	<b>Origin comment</b>
4.1 Disclosure Statement (and Annexure A)	<ul style="list-style-type: none"> <li>• For customers moving into an existing apartment, it is generally not possible for the provider to disclose the existence of the embedded network prior to supplying that person. It is preferable to make such an obligation on the real estate agent (for tenants) or the property owner.</li> <li>• It is highly undesirable to use a generic disclosure statement, it would be very difficult to build into Origin systems and most likely be a manual process. This would be expensive and prone to error. We would strongly urge that providers be able to make mandatory disclosures from their own system generated templates.</li> <li>• <i>Section 5 - Distributed energy resources at the property (e.g. solar panels, batteries and personal electric vehicle chargers)</i> – the provider is not always responsible for all DER on the site. It would be difficult for the provider to accurately notify each new tenant/owner of all the DER arrangements on each site. We believe the responsibility for this information provision should sit with the Owners Corporation.</li> </ul>
5.5 Meter access	<ul style="list-style-type: none"> <li>• We note that the provider could not unilaterally provide customer access to meters without the consent of the Owners Corporation (or Building Manager) due to safety considerations and that much of the electrical equipment is not owned by the provider. We would recommend changing this clause to provide an obligation to reasonably 'facilitate' access.</li> </ul>

14. Request to offset supply of Electricity with other characteristics	<ul style="list-style-type: none"><li>• Origin recommends that individual offset product requirements be removed as a requirement from the code. We believe the decision to provide offset products at a building-wide or individual level be a decision for the provider.</li></ul>
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